

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

ATTORNEY FEE APPLICATION COVER SHEET

IN RE: APPLICANT:
SHAPES/ARCH HOLDINGS L.L.C., *et al.* Cole, Schotz, Meisel,
Forman & Leonard, P.A.
CASE NO.: 08-14631 (GMB) CLIENT: Official Committee of Unsecured
Creditors
CHAPTER: 11 CASES FILED: March 16, 2008

COMPLETION OF THIS FORM CONSTITUTES A CERTIFICATION
UNDER PENALTY OF PERJURY. RETENTION ORDER ATTACHED.

/s/ Michael D. Sirota 5/14/08
MICHAEL D. SIROTA Date

**SECTION I
FEE SUMMARY**

First Monthly Fee Statement Covering the Period
March 31, 2008 through April 30, 2008

Total Previous Fees and Expenses Requested: \$0.00
Total Fees and Expenses Allowed to Date: \$0.00
Total Retainer (if applicable): N/A
Total Holdback (if applicable): N/A
Total Received by Applicant: \$0.00

	Name of Professional and Title	Year Admitted	Hours	Rate	Fee
1.	Michael D. Sirota, Member	1986	117.20	\$625.00	\$73,250.00
2.	Ilana Volkov, Member	1991	125.80	450.00	56,610.00
3.	Warren A. Usatine, Member	1995	112.40	450.00	50,580.00
4.	Alan Rubin, Member	1983	17.90	500.00	8,950.00

	Name of Professional and Title	Year Admitted	Hours	Rate	Fee
5.	Sheryll S. Tahiri, Associate	1999	92.80	325.00	30,160.00
6.	Felice R. Yudkin, Associate	2005	108.30	240.00	25,992.00
7.	Neoma M. Ayala, Associate	2006	0.40	205.00	82.00
8.	Peter E. Lembesis, Associate	2006	3.40	195.00	663.00
9.	Jessica Juste, Associate	2007	3.00	195.00	585.00
10.	Michael H. Tully, Associate	2007	3.80	200.00	760.00
11.	Daniel S. Zavodnick, Associate	2007	14.40	195.00	2,808.00
12.	Cynthia Braden, Paralegal	N/A	54.00	165.00	8,910.00
	TOTALS		653.40		\$259,350.00

FEE TOTALS (Page 3)	\$259,350.00
DISBURSEMENTS TOTALS (Page 4)	\$11,772.40
TOTAL FEE APPLICATION	\$271,122.40

**SECTION II
SUMMARY OF SERVICES**

Services Rendered	Hours	Fee
(a) Telephone Calls	29.70	\$14,939.50
(b) Correspondence Drafted	75.40	30,030.00
(c) Correspondence Reviewed	105.50	44,465.00
(d) Legal Research	36.00	9,792.00
(e) Court Appearance	3.20	1,877.50
(f) Preparation of Pleadings and Briefs	134.20	48,103.50
(g) Internal Office Meetings:		
(1) solely w/applicant's staff	20.20	7,771.00
(2) third party conferences	47.70	20,305.50
(h) Out of Office Meetings	23.00	13,237.50
(i) Review of File	3.60	594.00
(j) Travel Time	30.00	14,355.00
(k) Prepare for Court Appearance	50.80	23,902.50
(l) Prepare for Deposition	53.20	17,630.50
(m) Review Documents Produced by Adversary	40.90	12,346.50
SERVICES TOTALS	653.40	\$259,350.00

**SECTION III
SUMMARY OF DISBURSEMENTS**

Disbursements	Amount
(a) Telephone	\$415.80
(b) Photocopying: No. of Pages: 13,583 Rate per Page: \$.20	2,716.60
(c) Travel (attach details - U.S. Govt. Rate)	
Miles/Tolls	176.88
Public Transportation	195.00
Rail	230.00
	601.88
(d) Postage	84.80
(e) Other (explain):	
Copy of Official Documents	371.76
Service of Process/Subpoena	230.00
Transcript of Testimony	135.60
Westlaw	7,215.96
	7,953.32
DISBURSEMENT TOTAL	\$11,772.40

<p style="text-align: center;">SECTION IV CASE HISTORY</p>
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(NOTE: Items (3) through (6) are not applicable to applications under 11 U.S.C. § 506)

- (1) Date cases filed: March 16, 2008
- (2) Chapter under which cases commenced: Chapter 11
- (3) Date of retention: Order signed April 25, 2008, effective March 31, 2008
(Annex copy of order(s).) **See Exhibit A.**
If limit on number of hours or other limitations to retention, set forth: N/A
- (4) Summarize in brief the benefits to the estate and attach supplements as needed:
 - (a) Attended numerous meetings and telephone conferences with Committee members/co-counsel and financial advisors, Debtors' counsel, Arch Acquisition I, LLC and its counsel and other parties regarding the cases, the Debtors' motion to obtain post-petition financing and plan of reorganization;
 - (b) Attended Section 341(a) meeting of creditors;
 - (c) Worked with co-counsel to draft and/or review and revise and ultimately finalize for filing with the Court motions for entry of orders (i) regarding disclosure of confidential information; (ii) granting the Committee derivative standing to commence action against the Debtors' officers and directors and others for breach of fiduciary duty; (iii) appointing a chapter 11 trustee; and (iii) terminating exclusivity;
 - (d) Reviewed Debtors' pre-petition loan documents with The CIT Group/Business Credit, Inc., as agent for itself and for JP Morgan Chase Bank, N.A. and Textron Financial Corporation ("CIT");
 - (e) Reviewed, revised and/or negotiated the Debtors' post-petition financing facilities with CIT, Arcus ASI Funding, LLC and Arcus ASI, Inc. (jointly, "Arcus") and Arch Acquisition I, LLC ("Arch");
 - (f) Reviewed the Debtors' initial and amended Disclosure Statements and Plans of Reorganization and numerous objections thereto;
 - (g) Reviewed Arch's proposed plan of reorganization;
 - (h) Reviewed and worked with co-counsel to prepare and finalize objections to the Debtors' (i) motion for entry of a Final Order authorizing them to obtain post-petition financing from Arcus (the "DIP Financing Motion") and (ii) Disclosure Statement;

- (i) Conducted legal research in connection with the Debtors' various motions and the Committee's objections;
- (j) Prepared subpoenas issued to the Debtors and Arcus and reviewed voluminous documents produced by said parties in response to the subpoenas;
- (k) Prepared for and conducted depositions of Steven Grabell, Vincent Colistra and Paul Halpern in connection with the hearing on the DIP Financing Motion;
- (l) Prepared for and attend hearings on the Debtors' DIP Financing Motion and adequacy of the Debtors' Disclosure Statement;
- (m) Prepared motions (i) to quash subpoena issued by Arcus and (ii) for stay pending appeal with respect to DIP Financing Motion; and
- (n) Prepared complaint against the Debtors' officers and directors and others for breach of fiduciary duty.

INVOICES ITEMIZING SERVICES RENDERED AND OUT-OF-POCKET EXPENSES INCURRED ARE ATTACHED AS EXHIBITS "B" AND "C", RESPECTIVELY.

- (5) Anticipated distribution to creditors:
 - (a) Administration expense: Per Plan
 - (b) Secured creditors: Per Plan
 - (c) Priority creditors: Per Plan
 - (d) General unsecured creditors: Per Plan
- (6) Final disposition of cases and percentage of dividend paid to creditors (if applicable):
The Debtors have filed an Amended Plan of Reorganization and Disclosure Statement with Arch as the "stalking horse" plan proponent, as well as a competitive process motion which is returnable on May 19, 2008. Therefore, the final dividend percentages are unknown at this time.